

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3569

ANSWERED ON:25.08.2006

SCAM IN INSURANCE SECTOR

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Will the Minister of FINANCE be pleased to state:

- (a) whether CBI has unearthed any scam in insurance sector during the last two years;
- (b) if so, the details in this regard;
- (c) the names of the officers held responsible for this;
- (d) the amount involved in the said scam; and
- (e) the action taken by the Government against the guilty persons ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a), (b), (c) & (d) Of the six public sector Insurance Companies, three companies namely the New India Assurance Company Limited, The Oriental Insurance Company Limited and United Indian Insurance Co. Ltd. have reported cases of irregularities investigated/being investigated by CBI. The details of the cases alongwith names of officers responsible and amount involved are given in Annexure.

(e) CBI enquires and investigates into offences pertaining to corruption and other malpractices involving public servants. The CBI on completion of investigation recommends Criminal prosecution/ Regular Departmental Action (RDA) against the involved officials strictly in accordance with their findings and documentary and oral evidence on record. Further, the Companies have a well structured vigilance set up headed by a Chief Vigilance Officer who ensures that the company follows Central Vigilance Commission's (CVC) guidelines in letter and spirit. Vigilance Officers of the Insurance Companies undertake surprise inspection of the Division Offices/ Branch Offices for taking corrective/preventive action.